



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

MINUTES OF THE COMMITTEE
ON
TAX POLICY

Wednesday, May 2, 2018 10:30 a.m. Room 521, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jim Tedder.

Members present: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

Members absent/excused: None.

Representative Neeley moved to adopt the minutes from the Wednesday, April 25, 2018 meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee HB 5635:

HB 5635 (Cole) Counties; boards and commissions; date of the regular meeting to equalize the assessment rolls; modify.

Representative Cole introduced the bill to the committee. Questions and discussion followed.

Howard Ryan, Kellie Sobel, and Heather Frick, representing the Michigan Department of Treasury, testified to the bill.

Manny Lentine, representing the Michigan Assessors Association, submitted a testimony card in support of the bill.

The Chair laid before the committee SB 887:

SB 887 (Brandenburg) Use tax; exemptions; definition of taxable use; modify.

Joe Martin from Senator Brandenburg's office, and Dan Papineau, representing the Michigan Chamber of Commerce, introduced the bill to the committee. Questions and discussion followed.

The following people testified in support of the SB 887:

Lynn Gandhi, representing B&M Tower Technologies.

Mike Miotke, representing B&M Tower Technologies.

Ashleigh Albert, representing Augusta Tower Technologies.

Robert Zimmerman, representing Woods Construction.
Greg Gursky, representing the Michigan Department of Treasury.

The following people submitted a testimony card in support of the bill, but did not wish to speak:
Damian Hill, representing the Associated General Contractors of Michigan.
Neil Parish, representing the National Electrical Contractors Association, Michigan Chapter.
Amanda Fisher, representing the National Federation of Independent Business.
Alexa Malesky, representing Grand Rapids Chamber.
Kris Young, representing AT&T.

The Chair laid before the committee SB 511 and SB 512:

HB 511	(MacGregor)	Individual income tax; other; Michigan first-time home buyer savings program act; create.
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HB 512	(Horn)	Individual income tax; deductions; tax incentive for contributions made to first-time home buyers program; provide for.
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The Chair went at ease at 11:18 a.m., and reconvened at 11:23 a.m.

Howard Ryan, representing the Michigan Department of Treasury, submitted card in opposition of the bills, and wished to speak but due to time constraints, was unable to.

The following people submitted a testimony card in support of the bills, but did not wish to speak:

Brian Westrin, representing the Realtors.
Haleigh Krombeen, representing the Michigan Credit Union League.

Representative Leutheuser moved to report SB 511 with recommendation.

The motion prevailed by a vote of 11-1-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.
NAYS: Representative Johnson.
PASS: Representative Howrylak.

Representative Tedder moved to adopt the substitute (H-1) to SB 512.

The motion prevailed by a vote of 12-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, and Ellison.

NAYS: None.

PASS: None.

Representative Maturen moved to report SB 512, as substitute (H-1), with recommendation.

The motion prevailed by a vote of 11-2-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: Representatives Howrylak and Johnson.

PASS: None.

The Chair laid before the committee SB 647:

SB 647 (Zorn) Individual income tax; home heating credit; funding for weatherization; extend sunset.

Chairman Tedder offered the following amendment SB 647:

1. Amend page 14, line 10, after “**CLAIMED.**” by inserting “**FOR TAX YEARS AFTER THE 2017 TAX YEAR, A CREDIT CLAIMED UNDER THIS SECTION IS NOT ALLOWED UNLESS THE CLAIMANT PROVIDES THE DEPARTMENT WITH ALL OF THE INFORMATION, AS REQUESTED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, NECESSARY TO COMPLY WITH THE REQUIREMENTS OF THE FEDERAL APPROPRIATION OF THE FEDERAL LOW INCOME HOME ENERGY ASSISTANCE PROGRAM BLOCK GRANT. THE DEPARTMENT SHALL DISCLOSE THE INFORMATION PROVIDED UNDER THIS SUBSECTION TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES OR THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES OR ITS SUCCESSOR. THE CONFIDENTIALITY RESTRICTIONS PROVIDED IN SECTION 28 (1) (F) OF 1941 PA 122, MCL 205.28, DO NOT APPLY TO THE DISCLOSURE REQUIRED BY THIS SUBSECTION.**”.

Representative Tedder moved to adopt the amendment to SB 647.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: None.

Representative Maturen moved to report SB 647, as amended, as substitute (H-1), with recommendation.

The motion prevailed by a vote of 11-1-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Kahle, Byrd, Neeley, Ellison, and Yancey.

NAYS: Representative Johnson.

PASS: Representative Lower.

The following people submitted a testimony card in support of SB 647, but did not wish to speak:

Howard Ryan, representing the Michigan Department of Treasury.

Tammy Bair, representing the Michigan Department of Health and Human Services.

The Chair laid before the committee HB 5454:

HB 5454 (Lucido)	Property Tax; principal residence exemption; owners temporarily absent while rebuilding a demolished or destroyed dwelling; extend principal residence exemption to.
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Representative Lucido moved to adopt the substitute (H-1) to HB 5454.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: None.

Representative Lower moved to report HB 5454, as substitute (H-1), with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: None.

The following people submitted a testimony card in support of SB 647, but did not wish to speak:

Howard Ryan, representing the Michigan Department of Treasury.

Manny Lentine, representing the Michigan Assessors Association.

The Chair laid before the committee HB 5680 and HB 5143:

HB 5680 (Barrett)	Property Tax; assessments; placement of solar panels on residential real property; exclude from assessment of true cash value.
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HB 5143 (Barrett)	Property Tax; exemptions; alternative energy personal property; modify exemption.
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Substitute (H-2) was previously adopted to HB 5143 on March 21st, 2018.

Ron Kendall from Representative Barretts's office, introduced the bills to the committee. Questions and discussion followed.

Howard Ryan, and Heather Frick, representing the Michigan Department of Treasury, testified in support of HB 5680, and in opposition of HB 5143.

Representative Tedder moved to adopt the substitute (H-3) to HB 5143.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: None.

Representative Lucido offered the following amendments to HB 5143, (H-3):

1. Amend page 4, line 10, after "**THE**" by striking out "**RESIDENTIAL, COMMERCIAL,**" and inserting "**COMMERCIAL**".

2. Amend page 4, line 13, by striking out all of the subparagraph (ii) and inserting:
" (ii) **THE ALTERNATIVE ENERGY PERSONAL PROPERTY HAS A TRUE CASH VALUE THAT, WHEN COMBINED WITH THE TRUE CASH VALUE OF ALL PERSONAL PROPERTY EXEMPT UNDER SECTION 90 AS ELIGIBLE PERSONAL PROPERTY OF THE PERSON CLAIMING THE EXEMPTION UNDER THIS SECTION OR A RELATED ENTITY, EQUALS LESS THAN 80,000.00.**".

Representative Lucido withdrew his amendment to HB 5143, (H-3).

Representative Lucido offered the following amendments to HB 5143, (H-3):

1. Amend page 4, line 10, after “THE” by striking out “RESIDENTIAL, COMMERCIAL,” and inserting “COMMERCIAL”.
2. Amend page 4, line 13, by striking out all of the subparagraph (ii) and inserting:
“ (ii) IF THE INSTALLED AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBPARAGRAPH, THE ALTERNATIVE ENERGY PERSONAL PROPERTY HAS A TRUE CASH VALUE THAT, WHEN COMBINED WITH THE TRUE CASH VALUE OF ALL PERSONAL PROPERTY EXEMPT UNDER SECTION 9 AS ELIGIBLE PERSONAL PROPERTY OF THE PERSON CLAIMING THE EXEMPTION UNDER THIS SECTION OR A RELATED ENTITY, EQUALS LESS THAN 80,000.00.”.

Representative Lucido moved to adopt the amendment to HB 5143, (H-3).

The motion prevailed by a vote of 11-1-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, and Ellison.

NAYS: Representative Howrylak.

PASS: Representative Yancey.

Representative Lucido moved to report HB 5143, as amended, as substitute (H-4), with recommendation.

The motion prevailed by a vote of 12-1-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: Representative Howrylak.

PASS: None.

Representative Johnson moved to adopt the substitute (H-1) to HB 5680.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: None.

PASS: None.

Representative Johnson moved to report HB 5680, as substitute (H-1), with recommendation.

The motion prevailed by a vote of 11-2-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Leutheuser, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neeley, Ellison, and Yancey.

NAYS: Representatives Maturen, and Howrylak.

PASS: None.

The following people submitted a testimony card in support of the bills, but did not wish to speak:

Charlotte Jameson, representing the Michigan Environmental Council.

Ryan Wardin, representing the Alliance for Solar Choice.

Andrew Vermeesch, representing Michigan Farm Bureau.

Chris Hackbarth, representing Michigan Municipal League.

Jen Flood, representing the Michigan Energy Innovation Business Council.

Jim Byrum, representing the Michigan Agribusiness Association.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 11:57 a.m.

Representative Jim Tedder, Chair

Date Approved and Signed

Eddie Sleeper
Committee Clerk
May 2, 2018
87 minutes